

R30B25
University of Maryland Eastern Shore
 University System of Maryland

Operating Budget Data

(\$ in Thousands)

	FY 06	FY 07	FY 08	FY 07-08	% Change
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>	<u>Prior Year</u>
General Funds	\$23,322	\$28,616	\$30,671	\$2,055	7.2%
Other Unrestricted Funds	39,174	42,036	42,138	101	0.2%
Total Unrestricted Funds	62,496	70,652	72,809	2,157	3.1%
Restricted Funds	<u>26,439</u>	<u>23,566</u>	<u>25,640</u>	<u>2,074</u>	<u>8.8%</u>
Total Funds	\$88,935	\$94,219	\$98,449	\$4,231	4.5%

- General funds increase by \$2 million, or 7.2% over fiscal 2007.
- Other unrestricted funds increase by \$101,451, or 0.2% over fiscal 2007.
- Total funds available for fiscal 2008 actually increase by \$5.4 million, or 5.8% after accounting for one-time health insurance savings.

Personnel Data

	FY 06	FY 07	FY 08	FY 07-08
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>
Regular Positions	670.77	678.77	682.77	4.00
Contractual FTEs	<u>75.00</u>	<u>75.00</u>	<u>125.00</u>	<u>50.00</u>
Total Personnel	745.77	753.77	807.77	54.00

Vacancy Data: Regular Positions

Turnover, Excluding New Positions	23.42	3.43%
Positions Vacant as of 12/31/06	12.00	1.77%

- As of December 31, 2006, the University Maryland Eastern Shore (UMES) has 12 vacancies. Of these, 10 are State-supported.
- The fiscal 2008 allowance includes 4 additional regular positions and 50 additional contractual positions, an increase of 7.2%.

Note: Numbers may not sum to total due to rounding.

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Analysis in Brief

Major Trends

Six-year Graduation and Second-year Retention Rates Expected to Increase: In fiscal 2006, the six-year graduation rate remained level but is expected to increase slightly in fiscal 2007 and 2008. The second-year retention rate declined in fiscal 2006 but is expected to increase in fiscal 2007 and 2008.

Issues

Affordability at the University of Maryland Eastern Shore: UMES will increase mandatory fees by \$80 for in-state and out-of-state students in fiscal 2008. This discussion will highlight whether institutional aid adequately addresses the financial needs of low- to moderate-income students.

Access and Success for Maryland Historically Black Institutions (HBIs): Access and Success funds are utilized to improve student retention and graduation rates at Maryland's HBIs. This discussion will examine available cohort data to see if retention and graduation rates are improving at UMES.

Personnel: The fiscal 2008 allowance significantly increases the number of contractual full-time equivalents at UMES. UMES has increased the number of regular filled positions by 31 since fiscal 2005. Most of the additional filled positions support instruction.

Recommended Actions

1. Add budget language to restrict the expenditure of \$1.5 million to be used to improve student retention and graduation rates at University of Maryland Eastern Shore until a report is submitted to the budget committees.

Updates

UMES to Offer New Academic Programs: Recently the Maryland Higher Education Commission granted UMES the authority to offer a bachelor of arts degree in history and a bachelor of science degree in professional golf management.

Coastal Ecology Teaching and Research Center: As a land-grant institution, UMES provides education and research needs in agriculture, environmental, and marine sciences for government agencies, business, and industry.

R30B25
University of Maryland Eastern Shore
University System of Maryland

Operating Budget Analysis

Program Description

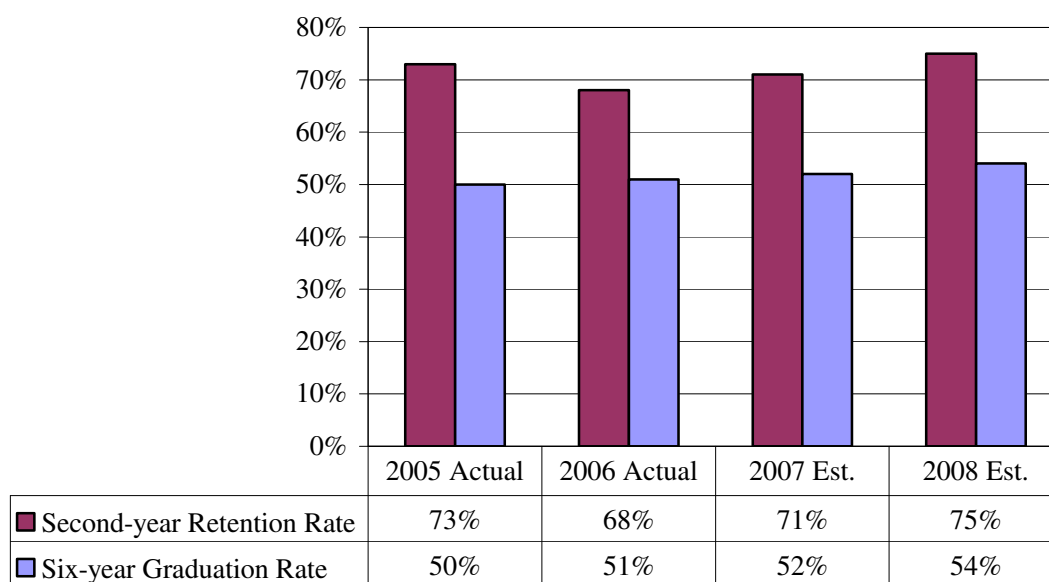
The University of Maryland Eastern Shore (UMES) is the 1890 Land-Grant institution for the State. Founded as a historically black, land-grant university, UMES is committed to providing quality education to persons who demonstrate the potential to become quality students, particularly from among minority communities and those of disadvantaged backgrounds, while fostering multi-cultural diversity.

UMES emphasizes selected baccalaureate programs in the liberal arts and sciences and career fields with particular relevance to the Eastern Shore and its land-grant mandate, offering programs at the master's and doctoral levels. The distinctive academic emphases at UMES are agriculture, environmental and marine sciences, hospitality, technology, computer sciences, business, and allied health. The university serves education and research needs of government agencies, business, and industry, while focusing on the economic development needs on the Eastern Shore. UMES aspires to become an educational model of a teaching/research institution that nurtures and launches leaders.

Performance Analysis: Managing for Results

Exhibit 1 shows the six-year graduation and second-year retention rates for all students and African American students from fiscal 2005 to 2008. UMES has a goal of a 55% six-year graduation rate by 2009. In fiscal 2006, the rate remained level but is expected to increase slightly in fiscal 2007 and 2008. The second-year retention rate declined by 5 percentage points in fiscal 2006 but is expected to increase in fiscal 2007 and in fiscal 2008 when it is expected to reach 75%.

Exhibit 1
Retention and Graduation Rates
Fiscal 2005-2008

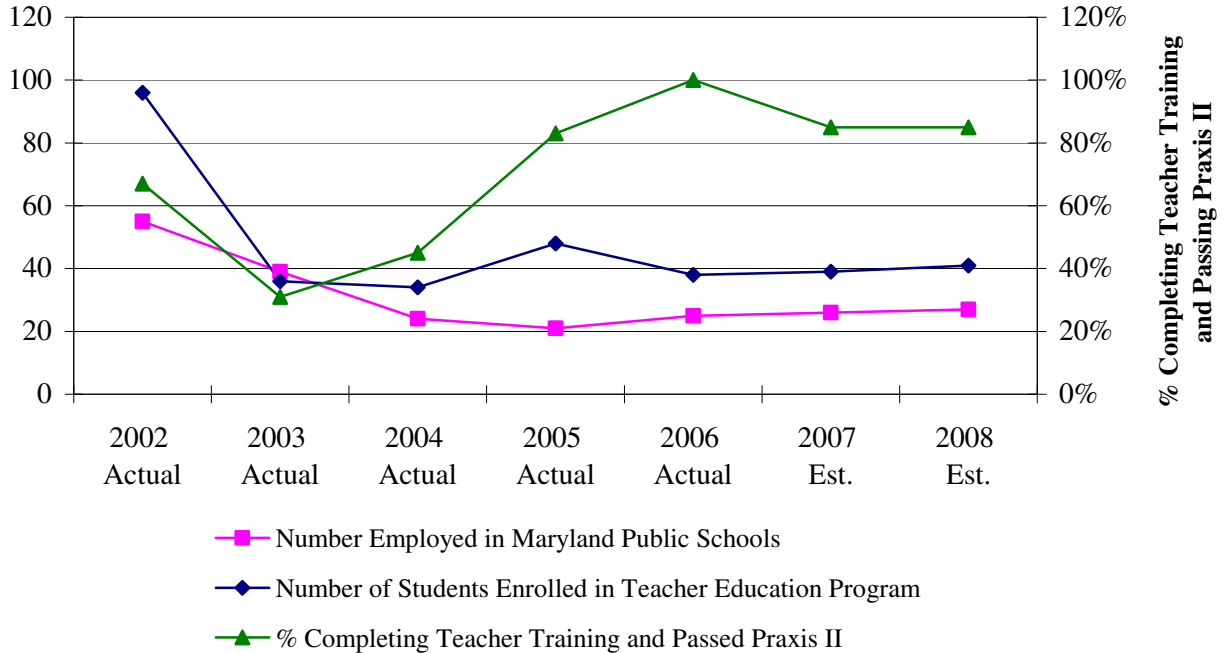


Note: Second-year retention rate and six-year graduation rate for all students as well as African American students is the same.

Source: Governor’s Budget Books, Fiscal 2008

UMES has committed to increasing the total number of new teacher education graduates employed in Maryland to 30 per year by 2009. However, the total number of students applying to teacher education programs at UMES has been on the decline since fiscal 2002. Students usually apply to the teacher education program during the sophomore year after passing Praxis I and generally all applicants are accepted. Currently, there is room to accommodate more students if the interest is expressed. **Exhibit 2** shows trends in teacher education from fiscal 2002 to 2008. In fiscal 2006, the number of undergraduate students enrolled in teacher education programs again declined. Slight increases are projected in fiscal 2007 and 2008. The percentage of students completing teacher education and passing Praxis II increased to 100% in fiscal 2006 but is expected to decline to 85% in fiscal 2007 and 2008. The number employed as new hires in Maryland public schools declined from fiscal 2003 to 2005, then increased in fiscal 2006 and is expected to increase one student per year for fiscal 2007 and 2008. **The President should comment on what efforts the university is making to interest students in teacher education as a major. The President should also comment on what measures are being taken to ensure all students completing teacher education programs are adequately prepared to pass Praxis II.**

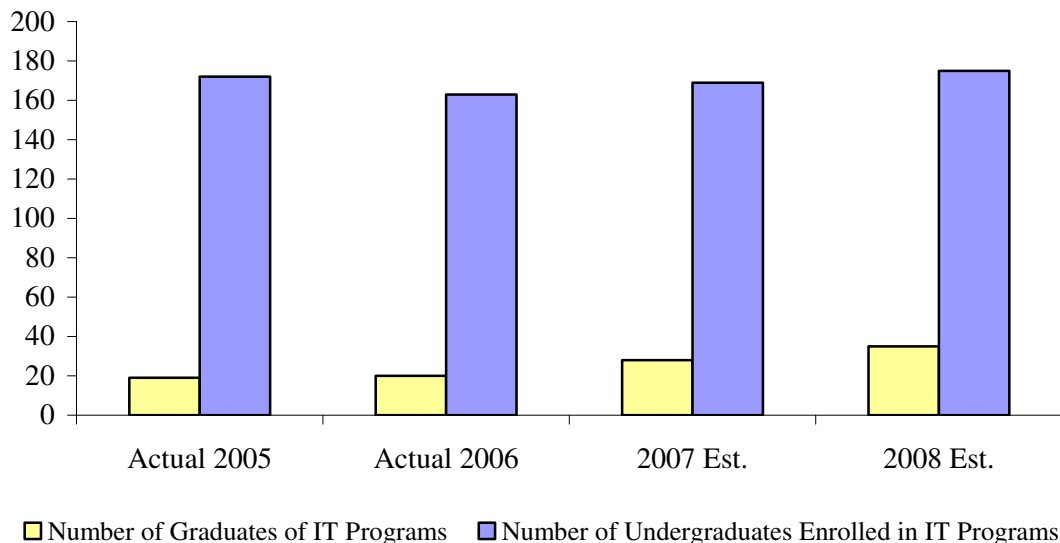
**Exhibit 2
Trends in Teacher Education
Fiscal 2002-2008**



Source: Governor’s Budget Books, Fiscal 2008

UMES offers degrees in areas of critical need and plans to increase the total number of information technology (IT) graduates. **Exhibit 3** shows trends in IT programs from fiscal 2005 to 2008. In fiscal 2006 the number of undergraduates enrolled in IT programs declined but is expected to increase in fiscal 2007 and 2008. The number of students graduating from IT programs is significantly smaller compared to the number of undergraduate students enrolled. The number of graduates receiving bachelor degrees in fiscal 2005 was 19 and only increased by 1 student in fiscal 2006. UMES anticipates an increase in fiscal 2007 and expects to reach the goal of 35 graduates in fiscal 2008. **The President should comment on why the number of graduates is significantly smaller than the number of students enrolled in IT programs. The President should also comment on actions UMES is taking to retain students in the area of IT.**

Exhibit 3
Trends in Information Technology Programs
Fiscal 2005-2008



Source: Governor's Budget Books, Fiscal 2008

Governor's Proposed Budget

As **Exhibit 4** shows, the general fund allowance for fiscal 2008 is \$30.7 million. This reflects an increase of approximately \$2.0 million over fiscal 2007. Other unrestricted funds increase by 0.2% which is attributed to the small increase expected in tuition and fee revenue. UMES expects a slight decline in full-time equivalent students in fiscal 2008. Restricted funds increase by \$2.1 million, or 8.8%.

Exhibit 4
Governor’s Proposed Budget
University of Maryland Eastern Shore
(\$ in Thousands)

	<u>FY 06</u> <u>Actual</u>	<u>FY 07</u> <u>Working</u>	<u>FY 08</u> <u>Allowance</u>	<u>FY 07-08</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Funds	\$23,322	\$28,616	\$30,671	\$2,055	7.2%
Other Unrestricted Funds	39,174	42,036	42,138	\$102	0.2%
Total Unrestricted Funds	62,496	70,652	72,809	\$2,157	3.1%
Restricted Funds	26,439	23,566	25,640	\$2,074	8.8%
Health Insurance Savings*		-1,155		\$1,155	-100.0%
Total Funds	\$88,935	\$93,063	\$98,449	\$5,386	5.8%

*One-time savings available for expenditure in fiscal 2008

Unrestricted fund budget changes in the allowance by program are shown in **Exhibit 5**. This exhibit considers only unrestricted funds which are comprised mostly of general funds and tuition and fee revenue. From fiscal 2006 through 2007, research, institutional support, and scholarship and fellowship increased at the fastest rates. Operation and maintenance of plant will increase the most in fiscal 2008 at 11.7%. From fiscal 2006 to 2007, tuition and fee revenue increased 0.4% while general funds increased by 22.7%. Beginning in fiscal 2007, \$1.5 million in Access/Success Program funds were moved from the Maryland Higher Education Commission’s (MHEC) budget to the institution’s budget. Adjusting for this, general funds increased 16.2% from fiscal 2006 to 2007. In fiscal 2008 general funds will increase 7.2% over fiscal 2007. Revenues from tuition and fees are expected to remain level in fiscal 2008 mainly because UMES has not been designated to grow in enrollment by the University System of Maryland. In addition to the in-state undergraduate tuition freeze in fiscal 2008, UMES is also freezing tuition for out-of-state students, and mandatory fees are increasing only slightly.

Exhibit 5
Budget Changes for Current Unrestricted Funds by Program
(\$ in Thousands)

	<u>FY 2006</u>	<u>Working FY 2007</u>	<u>% Change FY 06-07</u>	<u>Allowance FY 2008</u>	<u>% Change FY 07-08</u>	<u>% Change FY 07-08</u>
Expenditures						
Instruction	\$17,907	\$19,024	6.2%	\$20,130	\$1,106	5.8%
Research	1,023	1,248	22.0%	1,107	-141	-11.3%
Academic Support	5,152	6,075	17.9%	6,097	22	0.4%
Student Services	2,138	2,270	6.2%	2,107	-163	-7.2%
Institutional Support	6,969	8,441	21.1%	8,562	120	1.4%
Operation and Maintenance of Plant	9,214	9,490	3.0%	10,602	1,112	11.7%
Scholarships and Fellowships	3,937	4,777	21.3%	4,777	0	0.0%
Subtotal Education and General	\$46,340	\$51,326	10.8%	\$53,382	\$2,057	4.0%
Auxiliary Enterprises	16,156	19,327	19.6%	19,426	99	0.5%
Total	\$62,496	\$70,652	13.1%	\$72,808	\$2,157	3.1%
Funds Specific to HBIs*	2,863	1,264	-55.9%	1,264	0	0.0%
Adjusted Total	\$65,359	\$71,916	10.0%	\$74,073	\$2,157	3.0%
Revenues						
Tuition and Fees	\$20,915	\$21,004	0.4%	\$21,006	\$2	0.0%
General Funds	23,322	28,616	22.7%	30,671	\$2,055	7.2%
Other	2,105	1,706	-18.9%	1,706	0	0.0%
Subtotal	\$46,341	\$51,326	10.8%	\$53,383	\$2,057	4.0%
Auxiliary Enterprises	16,685	19,971	19.7%	20,154	\$183	0.9%
Transfers (to) from fund balance	-530	-645	21.5%	-728	-\$84	13.0%
Total	\$62,496	\$70,652	13.1%	\$72,809	\$2,157	3.1%
Funds Specific to HBIs*	2,863	1,264	-55.9%	1,264	0	0.0%
Adjusted Total	\$65,359	\$71,916	10.0%	\$74,073	\$2,157	3.0%

*Funds for Access/Success program and HBI enhancement funds for fiscal 2006. Starting with fiscal 2007 funds only include HBI enhancement funds from the Maryland Higher Education Commission budget as the Access/Success funds are included in the institution's budget.

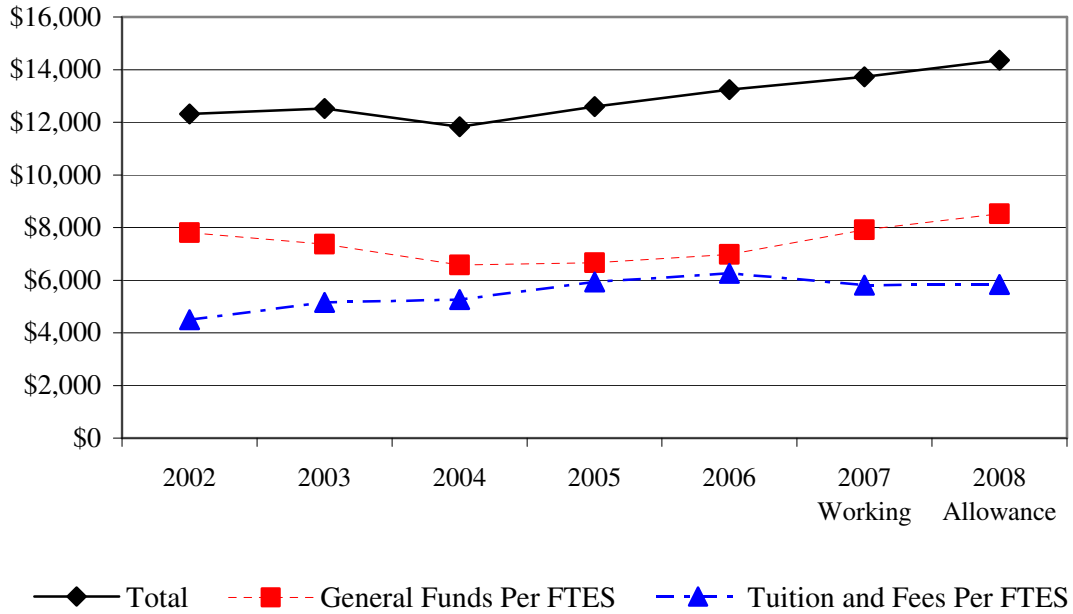
HBI: Historically Black Institutions

Source: Governor's Budget Books, Fiscal 2008

Tuition and Fees and General Fund Revenues

Exhibit 6 shows tuition and fees and general fund revenues per full-time equivalent student (FTES) between fiscal 2002 and 2008. General funds per FTES declined from fiscal 2002 to 2004 while tuition and fees per FTES significantly increased. Tuition and fees per FTES continued this trend until it declined (-7.2%) in fiscal 2007, which is attributed to the decline in out-of-state students but is expected to increase in fiscal 2008. General funds per FTES began to slightly rebound in fiscal 2005 and significantly increased (13.4%) in fiscal 2007. This trend is expected to continue in fiscal 2008 when general funds per FTES increase 11.8%.

Exhibit 6
Tuition and Fees and General Fund Revenues
Per Full-time Equivalent Student
(\$ in Thousands)
Fiscal 2002-2008



FTES: Full-time Equivalent Student

Source: Governor's Budget Books, Fiscal 2008

Issues

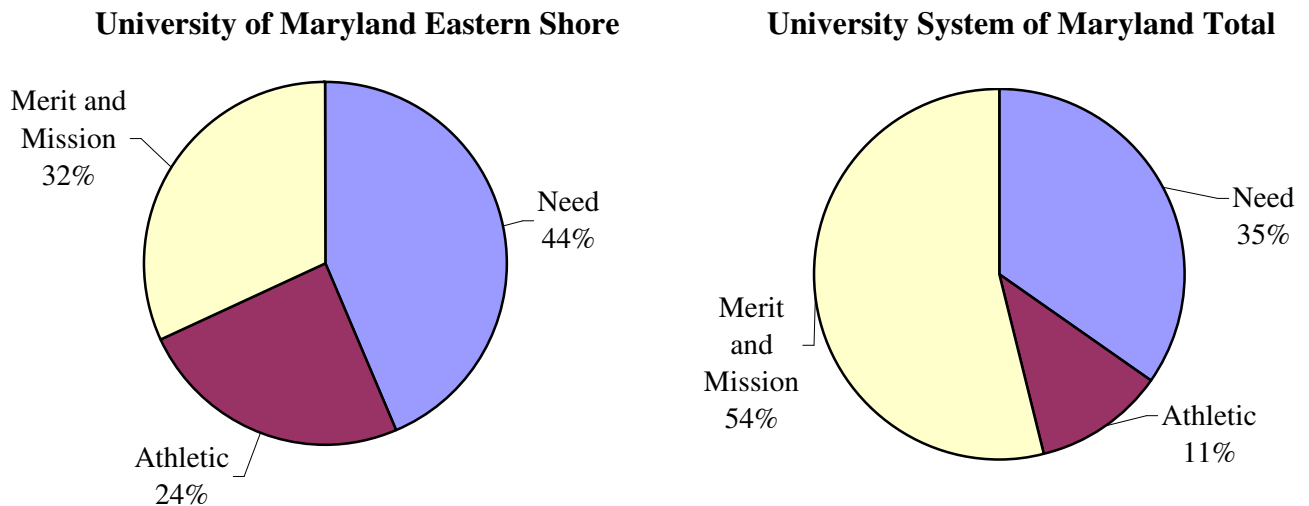
1. Affordability at the University Maryland Eastern Shore

Affordability continues to be a concern for Maryland public education. The fiscal 2008 allowance provides funds to freeze in-state undergraduate tuition. However, institutions are able to increase the mandatory fees that students are required to pay. UMES will increase fees by \$80, or 4.5% over fiscal 2007 for in-state and out-of-state undergraduates. Tuition and fees combined increase 1.35% in fiscal 2008. UMES is below the average tuition and fee increase for University System of Maryland (USM) institutions.

Trends in Institutional Aid

Another factor that affects affordability is financial aid. Categories of institutional financial aid include need, athletic, merit, and mission. USM institutions have committed to increasing institutional need-based aid for students. In fiscal 2007, 35% of institutional aid across USM was need-based, 54% merit and mission, and 11% was athletic as shown in **Exhibit 7**. UMES provides more need-based aid and athletic scholarships than the USM average.

Exhibit 7
Institutional Aid by Category
Fiscal 2007 Estimate



	<u>Need</u>	<u>Athletic</u>	<u>Merit and Mission</u>
UMES	2,071,255	1,166,000	1,525,329
USM Total	\$32,589,592	\$10,654,292	\$50,592,240

Source: University System of Maryland

The Maryland Higher Education Commission is in the process of developing a Financial Aid Information System (FAIS) database. The FAIS data collected provides a profile of those students receiving financial aid. The FAIS data has information for institutional aid awarded at UMES for fiscal 2005 for students that filled out a Free Application for Federal Student Aid to determine a student's expected family contribution (EFC). In general, the lower a student's EFC, the greater a student's financial need. Certain students with very low family income automatically qualify for a \$0 EFC, *i.e.*, no family contribution. **Exhibit 8** shows the percent of awards made for need-based and merit, mission, athletic, and other aid at each EFC category. The majority of the students receiving need-based aid were in the \$0 to \$2,499 categories, while students receiving merit, mission, athletic, and other aid were spread out among every EFC category.

Exhibit 8
Percent of Institutional Financial Aid Awarded by EFC
Fiscal 2005

<u>EFC Category</u>	<u>Need-based</u>	<u>Other</u>
\$0	46.3%	23.5%
\$1 – \$2,499	35.6%	20.3%
\$2,500 – \$4,999	16.0%	12.5%
\$5,000 – \$9,999	0.7%	22.9%
\$10,000 – \$19,999	0.9%	14.2%
\$20,000 +	0.5%	6.6%

EFC: Expected Family Contribution

Note: Does not include work study. Other includes merit, mission, athletic, and other aid

Source: Financial Aid Information System; Maryland Higher Education Commission

2. Access and Success for Maryland Historically Black Institutions (HBIs)

In December 1994, *A Plan for Increasing the Number of African-Americans Receiving Baccalaureate Degrees in Maryland* was developed by the presidents of Maryland's four HBIs, which include the University of Maryland Eastern Shore, Bowie State University, Coppin State University, and Morgan State University. The plan was written in response to the statewide gap between retention and graduation rates of African American students and all other students at Maryland's public two-year and four-year institutions. Recognizing the critical need to improve African American student retention and graduation rates at these institutions, MHEC proposed a plan of action, *From Access to Success*. The plan became the Access and Success Multi-Year Grant Program with the primary intent to improve retention and graduation rates of African American students by enhancing the relationship between administration, enrollment management, and teaching and learning practices. In 1999, each HBI received \$500,000 to address retention and graduation efforts. However, after the State entered into a partnership agreement with the U.S. Department of Education's Office for Civil Rights, funding increased from \$3 million in fiscal 2001 to \$6 million in

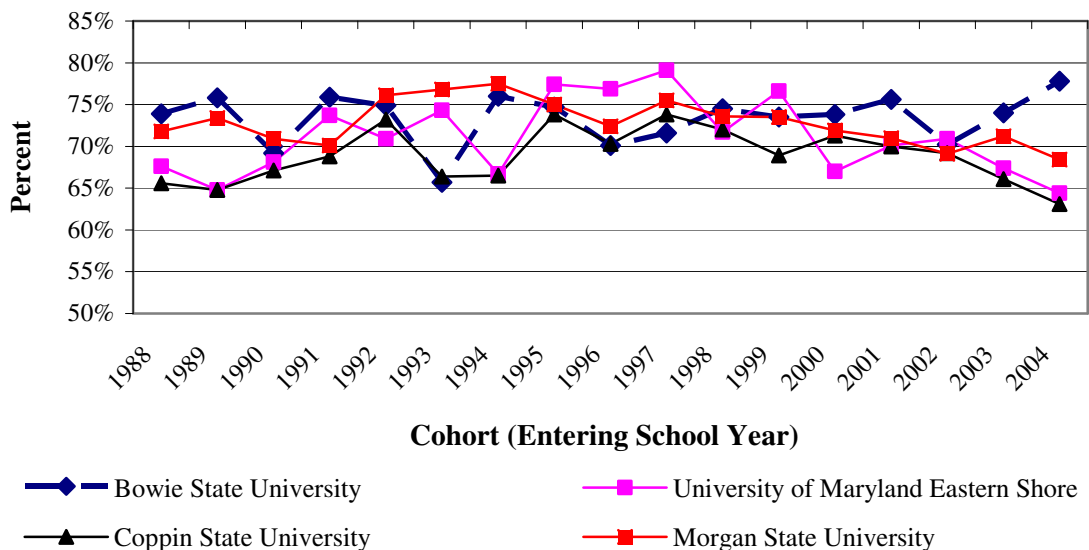
fiscal 2003 with equal distribution among the four HBIs. Access and Success funds were budgeted in MHEC from fiscal 2001 to 2006. MHEC would release funding to each HBI after a proposal was submitted outlining how the funds would be spent for the upcoming year. The fiscal 2007 allowance transferred \$6 million in Access and Success funds previously budgeted in MHEC to the HBIs' budgets.

From fiscal 2001 to 2007, UMES received a total of \$8,625,000 in Access and Success funds. UMES utilizes the funds to focus on initiatives that support an infrastructure for monitoring and assisting at-risk students, which includes developing, and improving teaching and learning practice, enrollment management, student support services, and the tutoring center. The funding is used to strengthen the role of counselors, mentors and tutorial assistance to help students and to purchase equipment and supplies to maintain programs.

Retention and Graduation Rates

While the full impact of Access and Success cannot be determined until a number of cohorts graduate, retention rates for cohorts entering school since fiscal 1998 (entering fall 1997 or 1997 cohort) should reflect enhancements to student support services that were implemented beginning in fiscal 1999. **Exhibit 9** shows the retention rates for African American students at HBIs for 1988 to 2004 cohorts (fiscal 1989 to 2005). Second-year retention rates fluctuated during this period for every HBI. There is no apparent trend to show that Access and Success funds have benefited students and increased retention rates.

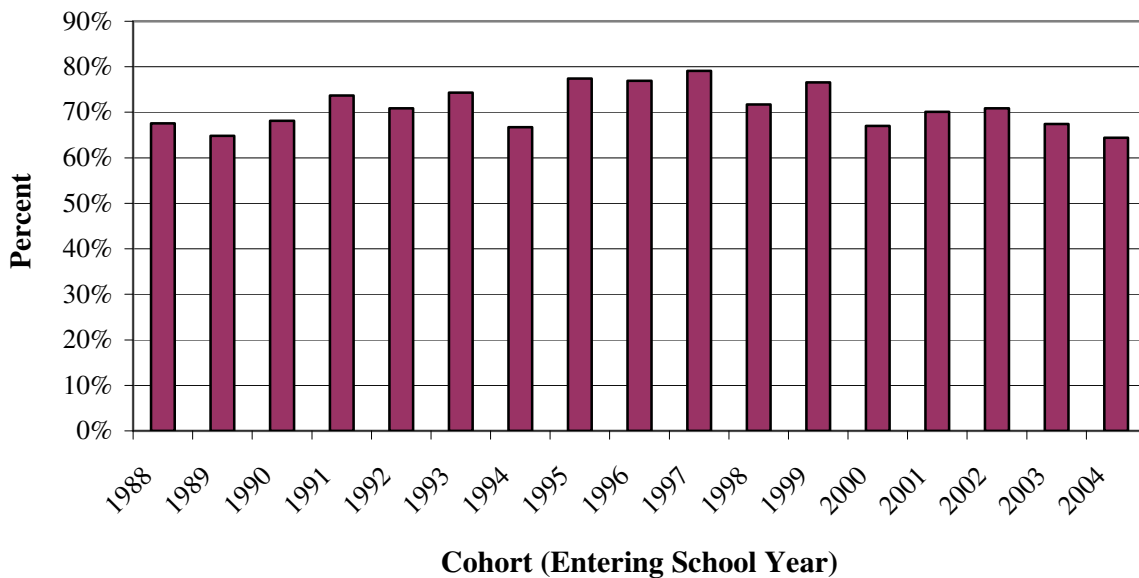
Exhibit 9
Second-year Retention Rates for African American Students at HBIs
1988-2004 Cohorts



Source: Maryland Higher Education Commission

Exhibit 10 shows second-year retention rates for African American students at UMES for the 1988 to 2004 cohorts (fiscal 1989 to 2005). As highlighted in the previous exhibit UMES fluctuates during this period. However, since fiscal 1999 when Access and Success funds became available, second-year retention rates have steadily declined.

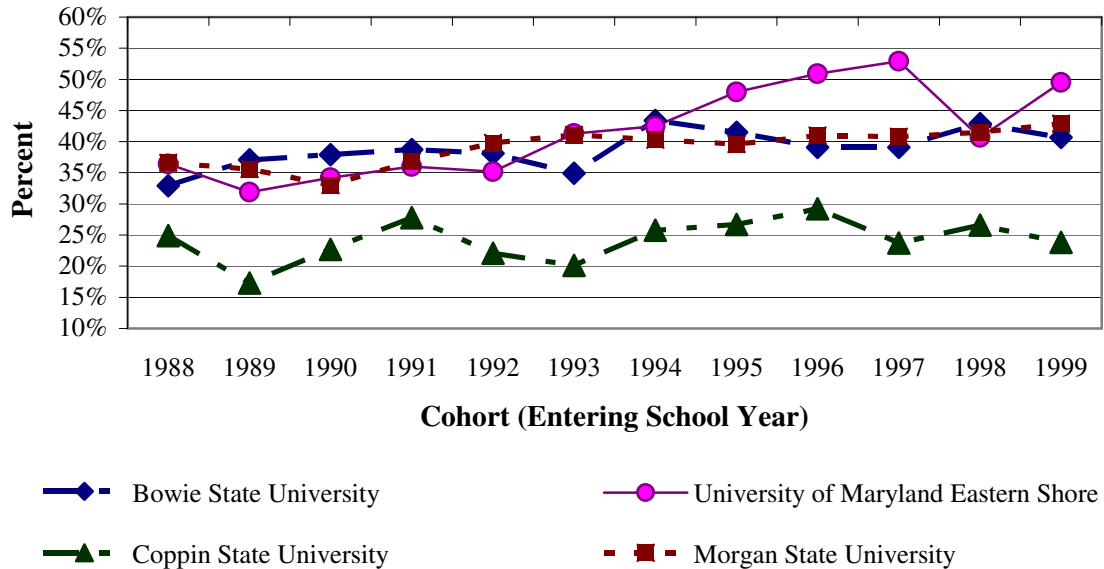
Exhibit 10
Second-year Retention Rates for African American Students at UMES
1988-2004 Cohorts



Source: Maryland Higher Education Commission

The ultimate goal for higher education institutions is for students to graduate and obtain a degree. **Exhibit 11** shows six-year graduation rates for African American students at all HBIs for the 1988 to 1999 cohorts (fiscal 1994 to 2005). With the exception of UMES, the graduation rates remain below the mid-40 percentile range.

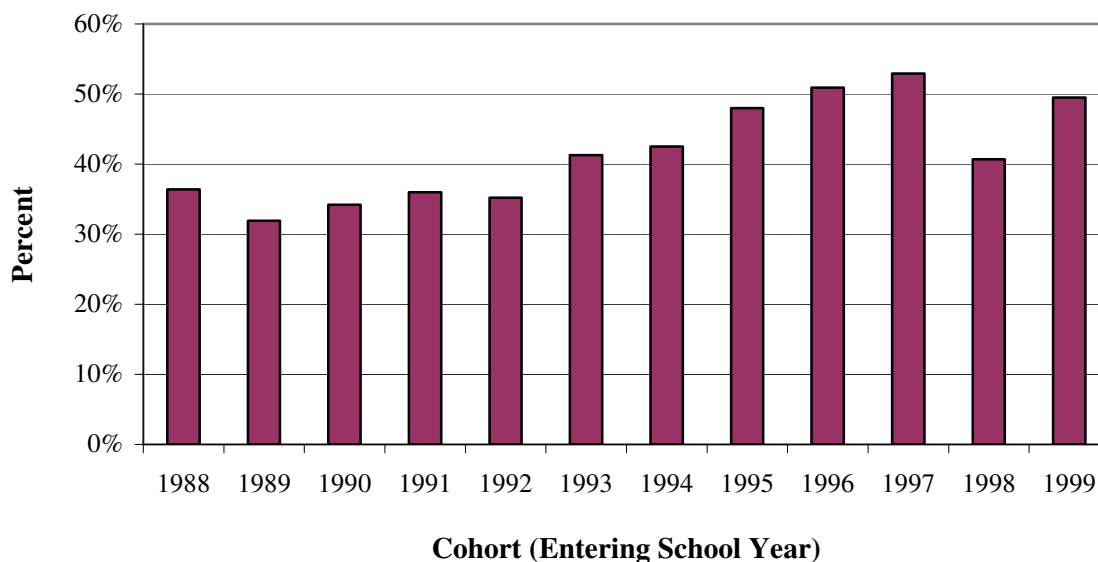
Exhibit 11
Six-year Graduation Rates for African American Students at HBIs
1988-1999 Cohorts



Source: Maryland Higher Education Commission

Exhibit 12 shows UMES six-year graduation rates for African American students for the 1988 to 1999 cohorts (fiscal 1994 to 2005). For cohorts entering from 1993 to 1997, the graduation rate steadily increased, reaching and surpassing 50 percent. However, the rate significantly declined by 12.2 percentage points for the 1998 cohort. Despite this setback, the rate rebounded the next year. UMES continues to have the highest six-year graduation rate among the four HBIs.

Exhibit 12
Six-year Graduation Rates for African American Students at UMES
1988-1999 Cohorts



Source: Maryland Higher Education Commission

It is perhaps too early to see the full impact of Access and Success on graduation rates. The data presented in Exhibits 11 and 12 capture only one cohort of students that entered school after the Access and Success dollars become available. However, given the State's investment in Access and Success, improved graduation rates should be expected over the next few years.

Although Access and Success funds are budgeted in the UMES budget, it is imperative that student support service programs continue to address retention and graduation rates. The Department of Legislative Services recommends that the following language be added to the UMES budget:

provided that \$1,500,000 of this appropriation, for the purpose of improving student retention and graduation rates, may not be expended until the University of Maryland Eastern Shore in conjunction with the University System of Maryland Office has prepared and submitted a performance report to the budget committees. For each cohort enrolled beginning fall 2000 through 2006 the report shall include:

- the average number of credit hours completed each year;
- the average grade point average for each year; and

- the percentage of students who dropped out each year who were receiving financial aid from any source (federal, State, institutional), and the average award amount received by those students.

The budget committee shall have 45 days to review and comment on the report.

3. Personnel

UMES is adding 4 new regular positions and 50 contractual full-time equivalents in the fiscal 2008 allowance. The new contractual positions are in areas of instruction, research, and auxiliary enterprises. With the exception of 10 positions, all of the new contractual positions are non-State supported. As of December 2006, UMES has 12 vacancies, of which 10 are State-supported, and a vacancy rate of 1.77%. UMES is below the USM average vacancy rate for fiscal 2007, which is 4%.

Exhibit 13 shows how the composition of UMES personnel (filled regular positions only) has changed from fiscal 2005 to 2007. From fiscal 2005 to 2006 the total number of filled positions decreased by 44.37 positions. Total filled positions in fiscal 2007 exceeded the fiscal 2005 level by 31 with the majority allocated to instruction and academic support.

Exhibit 13
Personnel by Budget Program
Filled Regular Positions
University of Maryland Eastern Shore
Fiscal 2005-2007

<u>Budget Program</u>	2005		2006		2007		Change in Share of Total 05-07
	<u>FTEs</u>	<u>%FTEs</u>	<u>FTEs</u>	<u>%FTEs</u>	<u>FTEs</u>	<u>%FTEs</u>	
Instruction	188.87	28.7%	216.26	35.2%	215	31.2%	2.5
Research	87.00	13.2%	58.44	9.5%	69	10.0%	-3.2
Public Service	0.49	0.1%	0.79	0.1%	1	0.1%	0.1
Academic Support	68.50	10.4%	67.50	11.0%	85	12.3%	1.9
Student Services	39.00	5.9%	34.00	5.5%	38	5.5%	-0.4
Institutional Support	92.91	14.1%	87.41	14.2%	96	13.9%	-0.2
Operations and Maintenance of Plant	77.00	11.7%	61.00	9.9%	77	11.2%	-0.5
Auxiliary Enterprises	105.00	15.9%	89.00	14.5%	109	15.8%	-0.1
Total	658.77	100.0%	614.40	100.0%	690.00	100.0%	

Note: Data are for filled regular positions only.

Source: University of Maryland Eastern Shore

Recommended Actions

1. Add the following language to the general fund appropriation:

provided that \$1,500,000 of this appropriation, for the purpose of improving student retention and graduation rates, may not be expended until University of Maryland Eastern Shore in conjunction with the University System of Maryland Office has prepared and submitted a performance report to the budget committees. For each cohort enrolled beginning fall 2000 through 2006 the report shall include:

- the average number of credit hours completed each year;
- the average grade point average for each year; and
- the percentage of students who dropped out each year who were receiving financial aid from any source (federal, State, institutional) and the average award amount received by those students.

The budget committee shall have 45 days to review and comment on the report.

Explanation: This language restricts the expenditure of funds until University of Maryland Eastern Shore submits a performance report on Access and Success funds that have been used in the past to improve retention and graduation rates.

Information Request	Authors	Due Date
Access and Success accountability report	UMES USMO	August 1, 2007

Updates

1. UMES to Offer New Academic Programs

Bachelor of Arts in History

In an effort to broaden liberal arts programs at UMES, a bachelor of arts in history will be added to the curricular offerings. It is the intent of UMES to provide a solution to the lack of public school teachers who are prepared to adequately teach history. Half of today's public school history teachers did not major or minor in history. The public schools are seeking history teachers with history degrees in order to meet the requirements of No Child Left Behind. UMES believes the new history program will prepare teachers for careers in education. It will also allow students to continue their studies at the graduate level and pursue careers in law or public administration.

Bachelor of Science in Professional Golf Management

As a land-grant university it is UMES' mandate to provide economic development and workforce development support for Maryland's businesses and citizenry. The baccalaureate degree program in golf course management with Professional Golfers' Association of America accreditation represents a career field emphasis that will produce high-quality leaders of color for the professional golf industry. UMES plans to build on the strength of its hotel and restaurant management program to support its implementation of the professional golf course management program.

Graduates successfully completing requirements will receive the bachelor of science degree in professional golf management and be prepared to begin a career with a major golf resort or independent golf course operation; assume a supervisory role with a major golf course management company; represent leading golf equipment and golf fashion manufacturers and merchandisers; provide leadership in golf tournament and related special event planning, including banquet or other food and beverage requirements; commence a professional golf teaching career; and obtain membership within the Professional Golfers' Association of America.

2. Coastal Ecology Teaching and Research Center

The Coastal Ecology Teaching and Research Center (CETRC), which opened in late 2005, is under the administrative authority of UMES. State funds in the amount of \$1.5 million were used to purchase the \$6 million building, but there are no State-supported operations at CETRC; funds come from contracts and federal research grants.

CETRC is a teaching, research, and public outreach facility that houses initiatives related to the restoration, conservation, and understanding of the water quality, surrounding natural environments, and living resources that characterize the coastal bays. The center was established with strong goals for partnerships among USM institutions, the National and State Park Service, the

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Maryland Department of Natural Resources, the National Oceanic and Atmospheric Administration, the U.S. Department of Agriculture, the Maryland Coastal Bays Foundation, and other local and non-governmental organizations. The center serves as an undergraduate and graduate research and teaching facility in addition to an educational and interpretive center for public outreach which includes programs for teachers and students at the K-12 levels.

Current and Prior Year Budgets

Current and Prior Year Budgets University of Maryland Eastern Shore (\$ in Thousands)

	<u>General Fund</u>	<u>Other Unrestricted Fund</u>	<u>Total Unrestricted Fund</u>	<u>Restricted Fund</u>	<u>Total</u>
Fiscal 2006					
Legislative Appropriation	\$22,947	\$39,005	\$61,952	\$21,097	\$83,049
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	295	1,254	1,550	7,193	8,743
Reversions and Cancellations	0	-1,006	-1,006	-1,851	-2,857
Actual Expenditures	\$23,243	\$39,253	\$62,496	\$26,439	\$88,935
Fiscal 2007					
Legislative Appropriation	\$28,180	\$40,713	\$68,893	\$19,897	\$88,790
Budget Amendments	616	1,144	1,759	3,669	5,429
Working Appropriation	\$28,796	\$41,856	\$70,652	\$23,566	\$94,219

Note: Numbers may not sum to total due to rounding.

Fiscal 2006

A budget amendment increased general funds by \$295,480 to cover costs associated with the fiscal 2006 general salary increase. Other unrestricted funds increased \$1.2 million through a \$78,786 budget amendment that balanced tuition revenue reductions with health cost savings. Another budget amendment for \$1,175,244 was primarily due to an increase in auxiliary sales and services related to dining services. Restricted funds increased \$7,193,359 through budget amendments for contracts and grants from the National and Atmospheric Administration's Living Marine Sciences and Minority Biomedical Research Support Rise Program.

Unrestricted funds decreased \$1,005,677 in cancellations for expenditures not incurred in auxiliary sales and services related to residence halls and dining services.

Restricted funds decreased \$1,850,946 in cancellations due to the decrease in federal contract and grant activity.

Fiscal 2007

A budget amendment increased general funds by \$615,589 to cover costs associated with the fiscal 2007 general salary increase. Other unrestricted funds increased by \$1,143,647 through a budget amendment that balanced tuition revenue reductions with health cost savings and another budget amendment that increases auxiliary sales and services related to dining services, tuition revenue, and an athletic fee increase. Restricted funds increased by \$3.6 million due to an increase in federal contracts and grants.

**Object/Fund Difference Report
University of Maryland Eastern Shore**

<u>Object/Fund</u>	<u>FY06 Actual</u>	<u>FY07 Working Appropriation</u>	<u>FY08 Allowance</u>	<u>FY07-FY08 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	670.77	678.77	682.77	4.00	0.6%
02 Contractual	75.00	75.00	125.00	50.00	66.7%
Total Positions	745.77	753.77	807.77	54.00	7.2%
Objects					
01 Salaries and Wages	\$ 52,393,854	\$ 53,958,314	\$ 56,403,418	\$ 2,445,104	4.5%
02 Technical and Spec. Fees	236,284	288,642	288,642	0	0%
03 Communication	459,875	641,895	641,949	54	0%
04 Travel	1,677,438	1,108,771	1,208,771	100,000	9.0%
06 Fuel and Utilities	4,300,130	3,941,377	5,130,697	1,189,320	30.2%
07 Motor Vehicles	142,292	183,500	182,418	-1,082	-0.6%
08 Contractual Services	5,859,321	5,867,181	5,869,619	2,438	0%
09 Supplies and Materials	6,099,374	5,947,972	6,059,054	111,082	1.9%
10 Equip – Replacement	157,160	168,480	168,480	0	0%
11 Equip – Additional	2,045,865	2,666,253	2,666,253	0	0%
12 Grants, Subsidies, and Contributions	9,531,778	8,731,988	9,172,731	440,743	5.0%
13 Fixed Charges	4,685,005	8,933,832	8,493,663	-440,169	-4.9%
14 Land and Structures	1,346,980	1,780,332	2,163,684	383,352	21.5%
Total Objects	\$ 88,935,356	\$ 94,218,537	\$ 98,449,379	\$ 4,230,842	4.5%
Funds					
40 Unrestricted Fund	\$ 62,496,106	\$ 70,652,331	\$ 72,808,944	\$ 2,156,613	3.1%
43 Restricted Fund	26,439,250	23,566,206	25,640,435	2,074,229	8.8%
Total Funds	\$ 88,935,356	\$ 94,218,537	\$ 98,449,379	\$ 4,230,842	4.5%

Note: The fiscal 2007 appropriation does not include deficiencies, and the fiscal 2008 allowance does not reflect contingent reductions.

**Fiscal Summary
University of Maryland Eastern Shore**

<u>Program/Unit</u>	<u>FY06 Actual</u>	<u>FY07 Wrk Approp</u>	<u>FY08 Allowance</u>	<u>Change</u>	<u>FY07-FY08 % Change</u>
01 Instruction	\$ 22,352,866	\$ 21,518,401	\$ 22,624,486	\$ 1,106,085	5.1%
02 Research	13,853,341	14,620,633	16,552,313	1,931,680	13.2%
03 Public Service	461,224	668,778	670,144	1,366	0.2%
04 Academic Support	7,075,867	8,149,135	8,171,454	22,319	0.3%
05 Student Services	2,650,625	3,051,345	2,888,802	-162,543	-5.3%
06 Institutional Support	8,625,840	9,037,600	9,157,938	120,338	1.3%
07 Operation and Maintenance of Plant	9,214,355	9,498,824	10,611,213	1,112,389	11.7%
08 Auxiliary Enterprises	16,156,324	19,326,537	19,425,745	99,208	0.5%
17 Scholarships and Fellowships	8,544,914	8,347,284	8,347,284	0	0%
Total Expenditures	\$ 88,935,356	\$ 94,218,537	\$ 98,449,379	\$ 4,230,842	4.5%
Unrestricted Fund	\$ 62,496,106	\$ 70,652,331	\$ 72,808,944	\$ 2,156,613	3.1%
Restricted Fund	26,439,250	23,566,206	25,640,435	2,074,229	8.8%
Total Appropriations	\$ 88,935,356	\$ 94,218,537	\$ 98,449,379	\$ 4,230,842	4.5%

Note: The fiscal 2007 appropriation does not include deficiencies, and the fiscal 2008 allowance does not reflect contingent reductions.